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	CAC-00	VCE-00	AC-01	NRRC-00	NSAE-00	OCS-03	OIC-02
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	SP-00	IRM-00	SSO-00	SS-00	STR-00	USIE-00	ASDS-00
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FM AMEMBASSY CARACAS
TO SECSTATE WASHDC IMMEDIATE 9654
INFO WESTERN HEMISPHERIC AFFAIRS DIPLOMATIC POST PRIORITY
AMEMBASSY LISBON PRIORITY
AMEMBASSY MADRID PRIORITY
AMCONSUL CURACAO PRIORITY
DEPT OF TREASURY WASHDC PRIORITY
NSC WASHDC PRIORITY
USMISSION USUN NEW YORK PRIORITY
USINT HAVANA PRIORITY
USCINCSO MIAMI FL PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 CARACAS 000200

TREASURY FOR OASIA/INL - AARON JONES
NCS FOR LLORENS

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USCINCSO ALSO FOR POLAD
STATE PASS USAID FOR DCHA/OTI - ULLIRICH AND PORTER

E.O. 12958: DECL: 01/27/2013
TAGS: PGOV, PREL, ECON, ASEC, CASC, OAS, VE
SUBJECT: VENEZUELA: POLITICAL UPDATE: JANUARY 27, 2003

CLASSIFIED BY: POLITICAL COUNSELOR ABELARDO A. ARIAS FOR REASONS 1.5(B)
AND (D)

SUMMARY:

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1. -- (U) SPEAKING AT THE WORLD SOCIAL FORUM IN PORTO ALEGRE, PRESIDENT HUGO CHAVEZ AGAIN ALLUDED TO EXPANSION OF THE FRIENDS GROUP, SUGGESTED THE GOV WILL CLOSE SOME TELEVISION STATIONS SOON, AND ANNOUNCED PLANS TO IMPLEMENT PRICE CONTROLS.

-- (U) THE OPPOSITION DEMONSTRATION WHICH OCCUPIED CARACAS' PRINCIPAL HIGHWAY LASTED MORE THAN THIRTY HOURS. THE OPPOSITION ALSO STAGED MAJOR DEMONSTRATIONS AROUND THE COUNTRY.

-- (U) MERCHANTS AND THE DEMOCRATIC COORDINATING COMMITTEE (DCC) WILL MEET JANUARY 27 TO CONSIDER HOW TO MAKE BUSINESS PARTICIPATION IN THE ON-GOING STRIKE MORE FLEXIBLE.

-- (U) THE NGO "SUMATE" IS TAKING THE LEAD IN ORGANIZING THE COLLECTION OF SIGNATURES ON FEBRUARY 2 FOR VARIOUS RECALL
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REFERENDA AND A CONSTITUTIONAL AMENDMENT. THE SIGNATURES WILL BE GATHERED AT MORE THAN 3,000 "VOTING CENTERS" AROUND THE COUNTRY.

-- (U) OPPOSITION LAWYERS FILED ADDITIONAL APPEALS CHALLENGING TWO RECENT DECISIONS OF THE SUPREME COURT OF JUSTICE (TSJ). THE FIRST TARGETS THE TSJ,S DECISION TO SUSPEND THE CONSULTATIVE REFERENDUM ON PRESIDENT CHAVEZ,S RULE. THE SECOND CHALLENGES THE TSJ,S INTERPRETATION OF ARTICLE 350 OF THE CONSTITUTION.

-- (U) IN HIS OPENING REMARKS TO THE ASSEMBLY OF THE VENEZUELAN BISHOPS CONFERENCE (CEV), ARCHBISHOP BALTAZAR PORRAS OBJECTED TO RADICALS ON BOTH SIDES, AND CALLED ON GOV AND OPPOSITION REPRESENTATIVES TO RESOLVE THE POLITICAL IMPASSE.

END SUMMARY.

CHAVEZ: FRIENDS, MEDIA AND PRICE CONTROLS

2. (U) SPEAKING AT THE WORLD SOCIAL FORUM IN PORTO ALEGRE, BRAZIL JANUARY 26, PRESIDENT HUGO CHAVEZ USED SLOGANS FROM CASTRO,S EARLY DAYS IN CUBA TO PUNCTUATE A LIST OF NEW HARD-LINE MEASURES HIS ADMINISTRATION WILL TAKE TO COMBAT THE ON-GOING STRIKE. ALL VENEZUELAN TV AND RADIO STATIONS, AS REQUIRED BY THE MINISTRY OF INFORMATION AND COMMUNICATIONS, BROADCAST THE SPEECH LASTING OVER FOUR HOURS, CONCLUDING WITH

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&VENCEREMOS!8 (&WE WILL CONQUER8), A CLEAR REFERENCE TO
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AN EARLY CASTRO REVOLUTIONARY SLOGAN. IT WAS CHAVEZ'S THIRD
TRIP TO BRAZIL IN JANUARY.

3. (U) CHAVEZ SAID THE FRIENDS GROUP HAD BEEN FORMED
PRECIPITOUSLY AND CALLED IT EMBRYONIC. HE PRAISED BRAZILIAN
PRESIDENT LULA DA SILVA FOR TAKING UP THE INITIATIVE "THAT WE
SUGGESTED TO HIM," SAYING THAT LULA HAD PROMISED HIM TO TAKE
VENEZUELA'S PROPOSAL FOR EXPANDING THE GROUP TO ITS MEMBERS.
CHAVEZ AGAIN PROPOSED THAT CHINA, CUBA AND FRANCE JOIN THE
GROUP. HE ALSO MENTIONED MALAYSIA, LIBYA AND COLOMBIA. THE
PRESIDENT ALSO WARNED THAT THE FRIENDS GROUP "HAD NOTHING TO
DO" WITH WHAT'S GOING ON IN VENEZUELA BECAUSE IT IS A
SOVEREIGN COUNTRY. HE SAID THE GROUP COULD OFFER IDEAS AND
FACILITATE, BUT THE DECISIONS ARE TO BE MADE BY VENEZUELAN.
"IT IS NOT THROUGH A GROUP OF COUNTRIES, FRIENDS, OR
GENTLEMEN'S CLUB THAT VENEZUELA'S CRISIS IS GOING TO BE
RESOLVED," CHAVEZ SAID.

4. (U) THE PRESIDENT SAID THE WORLD SHOULD NOT BE SURPRISED
IF HIS GOVERNMENT SOON ORDERS THE CLOSING OF SOME TELEVISION
STATIONS. HE DID NOT DISCOUNT THAT THERE MAY BE THOSE WHO
WOULD CRITICIZE HIM FOR ATTACKING FREEDOM OF EXPRESSION
SHOULD HE DO THAT. "NO FREEDOM IS WITHOUT LIMITS," HE SAID.
CHAVEZ AGAIN REFERRED TO VENEZUELA'S FOUR MAJOR PRIVATE
TELEVISION STATIONS AS THE FOUR HORSEMEN OF THE APOCALYPSE.

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ACTION WHA-00

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5. (U) CHAVEZ ALSO ANNOUNCED JANUARY 26 THAT THE GOV PLANS TO IMPLEMENT PRICE CONTROLS JOINTLY WITH THE EXCHANGE CONTROL REGIME THE GOV IS EXPECTED TO ARTICULATE JANUARY 28. CHAVEZ,S ANNOUNCEMENT CONTRADICTED EARLIER STATEMENTS BY MINISTER OF PRODUCTION AND COMMERCE RAMON ROSALES, WHO DISMISSED PRICE CONTROLS AS NOTHING MORE THAN &THE DELUSION OF A FEW PEOPLE.8 THE GOAL OF PRICE CONTROLS, ACCORDING TO CHAVEZ, IS TO EASE THE EFFECTS OF EXCHANGE CONTROLS ON THE POOR. ALTHOUGH CHAVEZ DIDN,T SPECIFY WHICH PRODUCTS WOULD BE AFFECTED BY PRICE CONTROLS, PRIOR PRICE-CONTROL REGIMES APPLIED TO THE BASIC FOOD BASKET AND MEDICINES. CHAVEZ ALSO FLOATED THE POSSIBILITY THAT A &TOBIN-TAX8 WOULD BE IMPLEMENTED ON FOREIGN CURRENCY TRANSFERS TO HELP CURB SPECULATION. ALTHOUGH RUMORS ABOUT THE SPECIFICS OF THE UPCOMING EXCHANGE AND PRICE CONTROL REGIMES ABOUND, THERE IS SO FAR NO CLEAR INDICATION OF THE GOV,S INTENTIONS.

OPPOSITION PROCLAIMS &LONGEST DEMONSTRATION IN HISTORY8

6. (U) THE OPPOSITION DEMONSTRATION WHICH OCCUPIED SOME FOUR KILOMETERS OF CARACAS' PRINCIPAL HIGHWAY WITH OVER 100,000 PROTESTORS BEGINNING JANUARY 25 LASTED MORE THAN THIRTY

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HOURS, LONGER THAN THE TWENTY-FOUR HOURS PLANNED. THE
OPPOSITION ALSO STAGED MAJOR DEMONSTRATIONS IN MARACAIBO,
VALENCIA, MARACAY, MERIDA AND SAN CRISTOBAL. POLITICAL
PARTIES AND NGOS TOOK THE OPPORTUNITY TO GATHER SIGNATURES
FOR A NEW CONSTITUTIONAL AMENDMENT, A LETTER TO THE
INTERNATIONAL COMMUNITY, AND A CONSTITUENT ASSEMBLY.

OPPOSITION CONSIDERS LIMITING STRIKE

7. (U) MERCHANTS AND THE DEMOCRATIC COORDINATING COMMITTEE
(DCC), WILL MEET JANUARY 27 TO CONSIDER HOW TO MAKE BUSINESS
PARTICIPATION IN THE ON-GOING STRIKE MORE FLEXIBLE. AMONG
THE OPTIONS THEY WILL CONSIDER ARE USING LIMITED HOURS OR
VARIED DAYS OF BUSINESS RATHER THAN CLOSING COMPLETELY.
JANUARY 27 IS THE FIFTY-SEVENTH DAY OF THE STRIKE.

OPPOSITION WILL SIGN UP ON REFERENDUM DAY

8. (U) THE NGO "SUMATE" IS TAKING THE LEAD IN ORGANIZING THE
COLLECTION OF SIGNATURES ON WHAT IS NOW BEING CALLED THE
"ALTERNATIVE REFERENDUM" SCHEDULED FOR FEBRUARY 2. (NOTE:
THAT IS THE DAY THAT HAD FORMERLY BEEN ASSIGNED FOR A
REFERENDUM ON PRESIDENT HUGO CHAVEZ,S RULE UNTIL IT WAS
SUSPENDED LAST WEEK BY THE SUPREME COURT OF JUSTICE (TSJ).
END NOTE.) SUMATE PLANS TO USE THE DAY TO COLLECT SIGNATURES
FOR CONSTITUTIONAL MECHANISMS AND TO SCHEDULE VARIOUS RECALL
REFERENDA, INCLUDING: (1) A CONSTITUTIONAL AMENDMENT, (2) A
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LETTER ASKING CHAVEZ TO RESIGN, (3) RECALL REFERENDA FOR
VARIOUS CHAVISTA LEGISLATORS AND THEIR ALTERNATES, (4) A
LETTER TO THE INTERNATIONAL COMMUNITY, AND (5) A REFERENDUM
TO ABROGATE SEVERAL CHAVEZ-SPONSORED ECONOMIC REFORM LAWS.
THE SIGNATURES WILL BE GATHERED AT MORE THAN 3,000 "VOTING
CENTERS" AROUND THE COUNTRY.

LEGAL APPEALS ON REFERENDUM AND ARTICLE 350

9. (U) OPPOSITION LAWYERS FILED ADDITIONAL APPEALS JANUARY
27 CHALLENGING TWO RECENT DECISIONS OF THE SUPREME COURT OF
JUSTICE (TSJ). THE FIRST APPEAL WAS LEVELED AT THE TSJ,S
DECISION TO SUSPEND THE CONSULTATIVE REFERENDUM ON PRESIDENT

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CHAVEZ, S RULE FORMERLY SCHEDULED FOR FEBRUARY 2. ATTORNEY CIPRIANO HEREDIA OF THE OPPOSITION-LINKED NGO &GENTE EMERGENTES (&EMERGING PEOPLES) ANNOUNCED THAT THE REFERENDUM APPEAL WOULD BE BROUGHT IN TWO PARTS. THE FIRST PART WILL MAKE A PROCEDURAL ARGUMENT, ATTACKING THE COMPOSITION OF THE THREE-JUDGE TRIBUNAL FROM THE TSJ, S ELECTORAL CHAMBER THAT HEARD THE CASE. SPECIFICALLY, OPPOSITION LAWYERS ARGUE THAT JUSTICE LUIS MARTINEZ WAS IMPROPERLY RECUSED FROM THE CASE, MAKING IT POSSIBLE TO APPOINT AN UNQUALIFIED REPLACEMENT JUSTICE. LAWYERS EXPECT TO FILE A SECOND PART TO THE APPEAL ON JANUARY 28 IN WHICH

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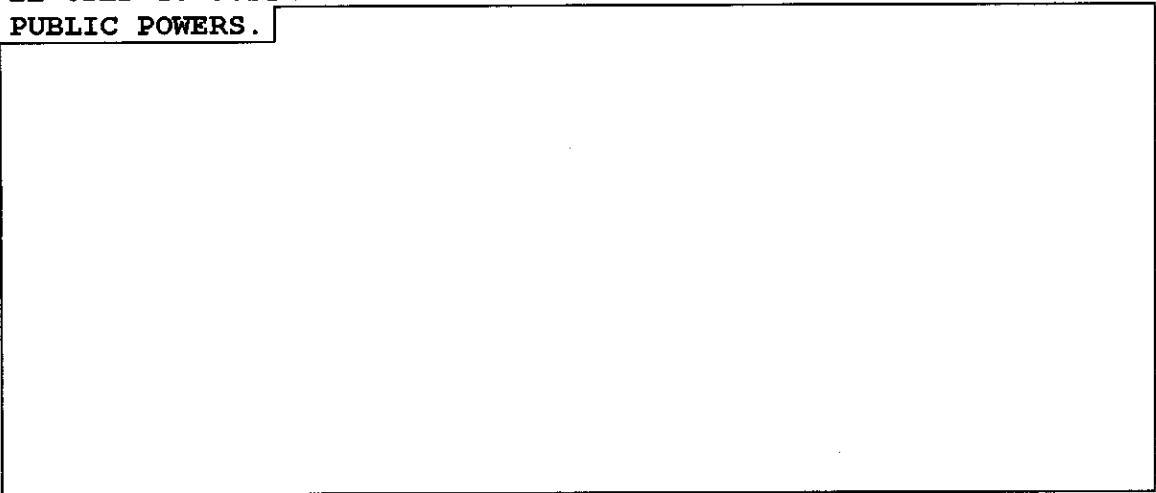
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TAGS: PGOV, PREL, ECON, ASEC, CASC, OAS, VE

SUBJECT: VENEZUELA: POLITICAL UPDATE: JANUARY 27, 2003

THEY WILL DIRECTLY ATTACK THE SUBSTANCE OF THE TSJ,S
DECISION ON LEGAL GROUNDS.

10. (C) IN A SEPARATE CASE, OPPOSITION LAWYERS FILED AN
APPEAL JANUARY 27 TO CHALLENGE THE TSJ,S INTERPRETATION OF
ARTICLE 350 OF THE CONSTITUTION. ARTICLE 350 DECLARES THAT
THE "PEOPLE WILL NOT RECOGNIZE" A RULING REGIME WHICH ESCHEWS
"DEMOCRATIC PRINCIPALS" AND HUMAN RIGHTS. THE ARTICLE HAD
FORMED THE BASIS OF A LEGAL THEORY THAT CIVIL DISOBEDIENCE
AND/OR REBELLION WAS CONSTITUTIONALLY ALLOWED, AND ARTICLE
350 HAD BEEN USED BY OPPOSITION ACTIVISTS TO LEGITIMIZE THE
ACTIONS OF STRIKING MILITARY OFFICERS WHO HAD DECLARED
THEMSELVES IN CIVIL DISOBEDIENCE SINCE MID-NOVEMBER 2002.
THE JANUARY 22 TSJ DECISION, HOWEVER, WRITTEN BY COURT
PRESIDENT IVAN RINCON, DECLARED THAT ARTICLE 350 CANNOT/NOT
BE USED TO JUSTIFY THE DISREGARD OF DEMOCRATICALLY ELECTED
PUBLIC POWERS.



B1

CHURCH SHAKES A FINGER AT BOTH SIDES

11. (U) IN HIS OPENING REMARKS TO THE ASSEMBLY OF THE
VENEZUELAN BISHOPS CONFERENCE (CEV) JANUARY 27, ARCHBISHOP
BALTAZAR PORRAS LAMENTED THE COUNTRY'S GROWING
INGOVERNABILITY. HE OBJECTED TO RADICALS "ON BOTH SIDES"
SEEKING THE CHURCH'S IMPRIMATUR FOR THEIR VIEWS, AND CALLED
ON GOV AND OPPOSITION NEGOTIATORS IN THE GAVIRIA TALKS TO
RESOLVE THE POLITICAL IMPASSE. IN A THINLY VEILED REFERENCE
TO THE GOV, PORRAS DENOUNCED "SYSTEMATIC ATTACKS" BY "SOME"
ON THE CHURCH AND ITS HIERARCHY. IN THE PRESS CONFERENCE

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THAT FOLLOWED, THE ARCHBISHOP ASSERTED THAT A JUST SOLUTION
TO THE POLITICAL CRISIS MUST NOT EXCLUDE ANY SECTOR, AND THAT
"THOSE WITH POWER ALSO HAVE A GREATER RESPONSIBILITY" TO
CONDUCT THEMSELVES PROPERLY.
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